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ABSTRACT

The purpose of this paper is to explore the interactions among federal education programs on the local level. Federal education programs work almost exclusively through the local education agency (LEA). Federal programs can work only if the LEAs can meet the aggregate requirements they impose. The burdens imposed by federal programs are of two kinds: administrative and financial. Administrative burdens are the demands placed on LEA personnel in interpreting federal rules, planning and implementing services required by the rules, and accounting for the use of funds. Financial burdens are the demands placed on funds from local and state revenues. This paper creates an agenda for analysis of the aggregate effects of interactions of federal programs. It, first, identifies for each of the major federal programs the features that may interact with other programs; second, identifies possible problems that those interactions might create; and third, defines questions for research on the implications of those problems for the effectiveness of federal education programs. (Author/MLF)

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DO FEDERAL EDUCATION PROGRAMS INTERFERE WITH ONE ANOTHER?

Paul T. Hill

September 1979

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The purpose of this paper is to explore the interactions among federal education programs on the local level. Since ESEA Title I was enacted in 1965, educators and federal managers have invested enormous effort in assessing whether Title I and newer programs like ESEA Title VII (bilingual education), ESAA (assistance for desegregating school districts), and vocational education were operating as intended. These assessments treated the programs individually, assuming that they operated, and could be understood, separately. As the number of federal programs has grown, however, it has become clear that they can affect one another's operation and that they might, in the aggregate, produce outcomes that none of them intended.

At present, the interactions and joint effects of federal programs are not well-documented. Much of the available information is in the form of anecdotes and unverified assertions made by state and local administrators who claim to be unduly constrained by federal requirements. There is good evidence (from Birman, 1979) that at least two federal programs, Title I and P.L. 94-142, can prescribe different services for the same children. State and local practitioners also allege that different programs impose contradictory requirements on LEAs, impose administrative burdens that overtax local administrators, and compete with one another for scarce local program funds. None of these allegations can be considered proven, nor is it obvious that all of the interactions among federal programs are negative. It is perfectly plausible a priori, that the programs reinforce one another and give educators multiple avenues through which to approach the needs

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of seriously disadvantaged children.*

Compared to other areas of federal domestic policy, education programs are not particularly numerous or complex. But unlike other domestic policy areas (e.g., environmental protection), federal education programs work almost exclusively through one kind of institution, the local education agency. Most federal education regulations are meant to govern the policies of LEAs; LEAs ultimately spend virtually all of the federal education grant funds, and manage and deliver all but a fraction of the services. Individual federal programs can work only if the LEAs are willing and able to implement them; the whole set of federal programs can work only if the LEAs can meet the aggregate requirements they impose.

The burdens imposed by federal programs are of two kinds: administrative and financial. Administrative burdens are the demands placed on LEA personnel in interpreting federal rules, planning and implementing services required by the rules, and accounting for the use of funds. Financial burdens are the demands placed on funds from local and state revenues. LEAs must spend own-source funds to meet matching and maintenance of effort requirements, pay administrative costs not covered

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*This analysis is not intended to consider the possible aggregate benefits of federal programs. Some would argue that the only purpose federal programs can serve is to alert state and local educators, and educational researchers, to the needs of a previously neglected clientele. A large number of overlapping programs, that involve educators, parents, and academicians in a variety of ways, may be an effective strategy for calling attention to the needs of a disadvantaged group. As Arthur Wise has written, "It is important not to overlook a development which has largely gone unnoticed. Groups that have been beneficiaries of multiple overlapping federal programs have made real progress. Head Start, Sesame Street, individualized reading programs, ESAA, and Title I--have concentrated on the poor, the young, and the black. Precisely in these target groups, NAEP has revealed increases in measured reading ability. To

by federal grants, and respond to federally-established standards for services to minority or disadvantaged groups.

The nature and weight of both kinds of burdens varies from program to program, as does the degree to which the federal government makes available offsetting funds and administrative help. This paper does not assume that all burdens imposed by federal programs are negative, that local officials' opposition to a burden is definitive evidence against it, or that all burdens should be offset by compensating payments to LEAs. Presumably, some of the burdens imposed by the federal government (e.g., school desegregation and the delivery of special services to disadvantaged children) can be justified on both efficiency or equity grounds, despite their costs. This analysis will not try to render judgment on whether federal programs constitute an undue infringement on local educators' freedom of action. It will take the objectives of federal programs as given, and only ask whether the requirements of federal education programs and the financial and administrative capacities of LEAs are well matched--whether, in other words, the various federal programs interfere with one another by requiring, in the aggregate, more funds and administrative capacity than the LEAs have available.

This paper will create an agenda for analysis of the aggregate effects of interactions of federal programs. It will do so in three steps: first, identifying for each of the major federal programs the features that may interact with other programs; second, by identifying

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date, federal evaluation efforts have focused upon individual federal programs, sometimes with disappointing results. The aggregate effect of federal programs must be remembered as we look at the aggregate financial and administrative burden." (personal communication)

possible problems that those interactions might create; and third, by defining questions for research on the implications of those problems for the effectiveness of federal education programs.

The analysis that follows is exploratory, and meant to initiate, rather than to conclude, a line of analysis. It will therefore not cover all federal programs, or even all of the features of those programs it discusses. It will, however, discuss the largest federal education programs, and the features of those programs that have most frequently been objects of complaint or controversy.

MAJOR PROGRAMS AND THE BURDENS THEY IMPOSE

In order to illustrate the aggregate burdens imposed by federal programs, this analysis will select programs that represent the whole range of administrative and financial burdens imposed by the federal government. These will include:

- o A grant program that pays for services intended to be separate from and additional to the services provided by the LEA. This program, ESEA Title I, prescribes the general nature of services to be delivered and the methods to be used in identifying eligible children. It is not intended to impose financial burdens on the LEAs, and it allows LEAs to use part of their grants to defray administrative expenses.
- o A program that provides federal funds to supplement ongoing local services. This program, the Education for All Handicapped Children Act (P.L. 94-142), imposes requirements that increase the number of children that LEAs must treat as handicapped, and establishes higher standards of service to eligible children than were previously provided. It is

meant to impose greater financial and administrative burdens than can be paid for from the federal grant funds that LEAs receive.

- o A program that provides federal grants to help LEAs desegregate their schools, either voluntarily or in response to court order. This program, the Emergency School Assistance Act, is supposed to help school districts respond to present or prospective obligations imposed by the courts. In theory, it does not impose any obligations beyond those established by the courts. In practice, however, federal civil rights officials have used the review of ESAA applications as an opportunity to review districts' compliance practice on a range of rights laws. ESAA has thus become a source of leverage for civil rights guarantees in areas other than desegregation.
- o A program that imposes new standards for LEA administration and for services, but does not provide any additional funds. This program, which establishes the civil rights of women under Title IX of the Elementary and Secondary Education Act,* requires LEAs to make a comprehensive view

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*Civil rights laws are not ordinarily regarded as federal programs, since they do not affect the federal budget. For the purpose of this analysis, however, they are indistinguishable from federal grants programs. They are ultimately implemented by the LEAs, and impose financial and administrative burdens that must be met from the same local resources. Civil rights laws thus add to the aggregate burden of federal programs and their success is threatened by overloads on district capacity, just as is the success of grants programs like Title I and P.L. 94-142.

of their own policies and to reform practices and services in light of the requirements. It provides no funds to offset financial or administrative burdens.

- o A program that provides matching funds to stimulate greater local effort where LEAs have historically used major amounts of their own funds for services (vocational education).

The kinds of burdens imposed by the programs are summarized in the following two tables: Administrative Burdens and Financial Burdens. Two of the columns in the "Financial Burdens" table need further explanation. "Matching" refers to any requirement that local agencies change the allocation of their own funds as an express condition of receiving a federal grant. Only one program, Vocational Education, has a standard matching provision that establishes a rate at which the LEA must spend to qualify for federal funds. P.L. 94-142 has an unconventional matching provision which requires the LEA to spend whatever is required to meet its service standards, as a condition of receiving a federal grant that varies each year with Congressional appropriations. All of the other grant programs have implicit matching requirements. ESEA Title I, for example, pays all of the costs of special services to disadvantaged students in eligible schools, but it also requires districts to ensure that their own funds are distributed equally across schools before Title I funds are added. This "comparability" requirement requires most districts to make adjustments in their allocation of teachers and other resources among schools. The costs of those adjustments are, in effect, the district's matching obligation under

Table 1

ADMINISTRATIVE BURDENS

	Planning Services	Identifying Eligibles	Delivering Educational and Supportive Services	Evaluation	Record-keeping
Title I	Annual plan submitted to the SEA.	Conduct annual needs assessment, identify "target schools".	Provide special staff to deliver services to about 20% of students in about half the elementary schools.	Annual evaluations, results sent to SEA.	Must maintain financial records to demonstrate non-supplanting, comparability, maintenance of effort.
94-142	Overall LEA budget must leave room for funding all IEP prescriptions.	Teachers refer individual students for diagnosis and prescription through the IEP process.	Special services must be arranged for each handicapped child. LEA must purchase services from specialized institutions for about 5% of handicapped children.	Individual students' progress must be evaluated annually.	Records of prescriptions, services, progress are kept for each handicapped student.
ESAA	LEA must make an original proposal to USOE, and review it annually.	Determined by LEA's own plan. Students must be in desegregated schools. Most in fact meet Title I eligibility criteria.	LEA must deliver special services as proposed in its plan.	Annual local evaluations required.	Must maintain auditable records of uses of federal funds.
Title IX	Districts conducted one-time self-evaluation of their non-compliance with Title IX, at their own expense. Must also designate a district-paid employee to act as compliance coordinator.	N/A	Must implement changes in educational facilities or services required by the local self-evaluation or OCR directives.	None apart from one-time self-evaluation.	Must keep self-evaluation results, records of remedies on file.
Vocational Education	Annual plan submitted to SEA.	Part of grant must be set aside for special services to the handicapped.	Offer a variety of specialized vocational education courses.	Required once every 5 years.	Must make annual fiscal accountability report to SEA.

Table 1 (cont'd)

	Negotiating with Parents or Community Groups	Resolving Disputes	Proving Compliance	Training Staff
Title I	Must organize district- and school-parent advisory councils, and obtain district PAC approval for annual plan.	Superintendent settles disputes (e.g., between Title I coordinator and PACs) on demand.	Must cooperate with SEA audit every third year, and host occasional site visits from USOE officials.	Done at LEA's discretion.
94-142	Individual student's progress must be evaluated annually.	Records of prescriptions, services, progress are kept for each handicapped student.	LEA must establish a due process whereby parents participate in and approve the writing of their children's IEPs, and can appeal IEP determinations to the superintendent and ultimately to the SEA.	See "Negotiating with parents."
ESAA	Must establish a community advisory council, and consult them on the planning and conduct of the program.	N/A	Must cooperate with HEW audits of uses of program funds, and submit to a review of general civil rights compliance as a precondition for receiving ESAA funds.	Staff training can be paid from federal funds.
Title IX	No explicit requirements, apart from grievance procedure.	See grievance procedure.	Must cooperate with HEW/OCR complaint investigation and compliance review processes.	N/A
Vocational Education	Must construct a community advisory group.	Interest groups or members of the advisory group can contest the allocation of program funds by the LEA; they appeal first to the superintendent, then to the SEA and the courts.	Must cooperate with HEW audits and USOE site visits conducted as part of federal reviews of state programs.	Staff training programs are admissible program expenses.

Table 2

FINANCIAL BURDENS

	Maintenance of Effort	Matching	Payment for Educational and Supportive Services	Administrative Costs	Payment for Advisory Groups	Payment for Dispute Resolution
Title I	Must not reduce local and state expenditures on education after receiving federal funds.	Implicit in comparability requirement.	Federal funds pay full cost.	Federal funds pay all direct costs.	May be paid from federal funds.	Title I coordinator's time is paid by federal funds. Other costs are borne by the LEA.
94-142						
94-142	No	No express requirement, but federal funds pay for <15% of required services.	After federal funds are exhausted, all services must be funded from local sources.	Paid from the LEA special education budget, which is about 85% local funds.	Same as for administrative costs.	Same as for administrative costs.
ESAA	Yes; must show that ESAA pays for new services, doesn't.	No	Federal funds pay for all services.	Federal funds pay all direct costs.	Federal funds pay all direct costs.	Most costs are borne by the LEA.
Title IX	N/A	N/A	All costs met from local funds.	All costs met from local funds.	All costs met from local funds.	All costs met from local funds.
Vocational Education	No explicit requirement.	Must match both basic grant and special set-aside grants for adults, handicapped, and disadvantaged.	Federal funds pay for only a fraction of vocational education services. Most localities exceed the minimum level of services required.	Some special federal funds for administration are available. Most costs, however, are met from the overall vocational education budget, which consists primarily of state and local funds.	Paid from the overall vocational education budget.	Paid from the overall vocational education budget.

Title I. Like Title I, ESAA requires school districts to demonstrate equitable patterns of expenditure and service delivery as a condition of eligibility for grants. In recent years, HEW's Office for Civil Rights has also used the review of ESAA grants applications as an opportunity to scrutinize districts' compliance with diverse civil rights requirements, including the Lau remedies for services to linguistic minority children, and Title IX sex equity guarantees as well as the Title VI requirements for school desegregation. As a result of this scrutiny, districts are often required to change some existing practices and must reallocate local funds to do so. In this sense, ESAA has matching provisions whose exact nature and cost cannot be known in advance.

The second column in need of explanation is "Administrative Cost." Administrative costs must be distinguished from the administrative burdens summarized in Table 1. Most grant programs provide LEAs with funds to help defray part or all of the administrative costs imposed on the locality. Some programs provide no such support. This column points out this distinction.

Reading across the rows of the two tables, the burdens imposed by federal programs do not appear terribly severe. Each program imposes financial and administrative burdens, but the heaviest burdens are usually offset by direct payments from the federal government. Only the unfunded civil rights requirement, Title IX, imposes burdens without providing resources; those burdens, however, are not enormous. None of the programs is likely to overwhelm the administrative capacities of school districts that are large enough to employ a specialized central

office staff. For very small districts, whose superintendent and other administrative staff must double as school principals or classroom leaders, the larger programs like P.L. 94-142 may impose unrealistically high burdens of planning and negotiation. In many states, however, such districts can turn to county-wide or regional entities for administrative help.

One gets a different picture reading down the columns of the tables. The programs make many competing demands on local funds and administrative capacity. Every program requires special arrangements for planning and service delivery. No program provides resources to support its integration with other programs; consequently, school districts must choose between letting the programs operate independently or using local resources to integrate and adjust the different program activities.

All of the programs require district officials to consult with parent and beneficiary groups, and to establish formal procedures for resolving complaints. The amount of work entailed in consultation varies from one program to another. But the separate consultation and negotiation processes for each program can constitute a serious challenge to district management.* Such procedures naturally produce piecemeal

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*One class of activities that turns out to impose a relatively low aggregate administrative burden is "Demonstrating Compliance." Many districts have never been visited by a federal compliance review officer, and the vast majority have less than one formal compliance investigation each year. A small number of districts bear almost all of the burden of demonstrating compliance. Those districts--probably less than 100 clustered in the major metropolitan areas--undergo federal compliance reviews or complaint investigations several times each year. For those districts, demonstrating compliance often absorbs a major share of the superintendent's time, and can entail major costs for legal representation and travel to Washington. Those resources are then not available for the day-to-day management of the school district or for use in carrying the financial burden of the federal programs.

resolutions of particular issues, without reference to the demands for local money and administrative attention being made by other programs.

As this section has demonstrated, the principal federal programs impose a wide range of requirements on local administration and financing. A simple catalog of such burdens does not, however, indicate whether or not they overwhelm districts' capacities, or whether the federal programs are interfering with one another. The next section will use the information in the two tables to identify ways in which the programs might overwhelm districts' capacities or make impossible the attainment of one another's objectives.

POSSIBLE PROBLEMS IN THE INTERACTIONS OF FEDERAL PROGRAMS

The purpose of this section is to identify ways in which the programs listed above might interact to their mutual detriment. The following discussion is based on fragmentary evidence: it may overlook some problems, and some of the problems identified may, on closer inspection, be insignificant. As was explained in the introduction, this analysis focuses on the problems that different federal programs create for one another and is only secondarily concerned with the ways in which federal programs might interfere with the LEAs' management of their regular instructional programs.

In general, programs interfere with one another by creating greater demands for local administrative and financial resources than the localities can meet. Under those circumstances, some or all of the competing federal programs will receive fewer local resources than they need to operate as intended. In particular, federal programs can interfere with one another in four ways:

1. Competing for the attention of school district administrators;
2. Creating uncertainties about the kinds of services to which particular students are entitled;
3. Encouraging cross-subsidies among federal programs; and
4. Competing for local funds (other than those provided by federal grants).

The following sections discuss each of the problems in detail.

Competing for Local Administrators' Attention. All federal programs are ultimately the responsibility of the LEA superintendent and school board. Every program--even including the civil rights guarantees--assumes that day-to-day administrative tasks will be delegated to a specialist coordinator, the ultimate responsibility for the proper operation of all the programs is the superintendent's. However, the multiplicity of federal programs may make it impossible for the superintendent or any other central coordinator, to pay sustained, simultaneous attention to the whole set of federal programs. The result, at least for the larger districts, is that the delegation of program management to specialist coordinators is virtually total. The coordinators for Title I, special education, vocational education, and civil rights each operate with minimal guidance from the superintendent, and in virtual ignorance of one another. Only in very small districts, where one individual is designated coordinator for all federal programs, is there any obvious coordination; and in those districts, the smaller programs and civil rights guarantees get little, if any, attention.

The needs to consult with beneficiary groups, settle grievances, and demonstrate compliance, all increase the fragmentation of federal

program efforts. The groups (including federal enforcement agencies) that demand consultation or lodge grievances are usually interested in specific entitlements conveyed by a single program. Dealing with these focuses the attention of district administrators--whether the specialist program coordinators or the superintendent himself--on the specific provisions of that one program. The settlement of issues raised by courts or federal enforcement agencies can preempt virtually all of the time of the school superintendent and the central administrative staff. One reliable effect of a major court battle or a confrontation between the LEA and a federal agency (e.g., the HEW Audit Agency) is that the superintendent must leave the running of the school district to the specialists in charge of academic and administrative departments.

Under such circumstances, issues are typically settled without reference to the implications for other programs. If, as is often the case, such settlements require new allocations of existing financial and staff resources, those resources are likely to come from other programs as described below in the section on cross-subsidies.

In general, federal programs operate without cognizance of one another, and they get the superintendent's attention only by becoming squeaky wheels. The adjustments that result are consequently piecemeal and frequently draw resources away from other federal programs. Thus, ironically, the one official who can see across the various federal programs and integrate the district's effort is prevented from doing so by the diverse and crisis-laden nature of the demands on his or her time.

Creating Uncertainties about Individual Children's Entitlement to Services. Two recent studies by SRI (Birman, 1979; Burnett and Machover, 1978) have shown that many LEAs are confused about how to serve children who might be eligible for both Title I and P.L. 94-142. Low-achieving children in poverty schools are the primary target group for Title I services, yet many of those children can also be classified as handicapped due either to specific developmental problems or to "learning disabilities," broadly defined. Some of those same children can be eligible for services under ESAA and the bilingual education program and for services provided by state categorical programs.

In an ideal world, this diversity of programs should enable local educators to act as creative brokers, orchestrating what is offered by different funding sources to suit individual children's needs. In fact, the brokerage function is inhibited in two ways: first, few local administrators understand the different funding sources well enough to orchestrate them in the way described, and second, the rules of many of the programs are expressly written to make such orchestration difficult.

At present, it is hard to know which of these two inhibiting factors is more important. Some local administrators insist that they are absolutely constrained by the regulations from, say, using multiple funding sources for one child or from combining the funds of similar federal and state programs to expand the pool of children served. Those complaints are not universal, however: some local educators report that they can make creative uses of multiple funding sources, and have received full approval from the USOE bureaus in charge of the respective programs. The problem of conflicting program regulations has become a

political football, with local administrators alleging that the loosening of federal restrictions is imperative and federal officials (and the beneficiary interest groups for the major programs) claiming that it is unnecessary.

Whatever its cause or remedy, the multiplicity of program requirements has produced bizarre configurations of services in some places. NIE (1977) reported that fully 27 percent of the children receiving Title I services spent all of their time in special pull-out services funded by various categorical programs, and none of their time in a regular classroom. That pattern clearly violates the intent of Title I and every other categorical program, and would be unacceptable for all but the most severely handicapped children under P.L. 94-142. In other LEAs, as Birman (1979) reports, some children receive services from several programs and others with identical needs receive none at all. This again is not required or intended by any program. Whether such patterns result from irreconcilable program rules or from poor local administrative performance is not clear. But they clearly result, either directly or indirectly, from the complexity of the package of federal programs that LEAs must administer.

Encouraging Cross-Subsidies Among Federal Programs. There is reason to think that federal funds provided under one program might be used instead to provide services required under another. This is related to, but different from, the problem of supplantation, i.e., the use of federal program funds for tax relief or to support regular local programs. Cross-subsidy occurs when federal programs draw funds away from one another.

Cross-subsidy can occur whenever federal programs impose requirements that exceed the funding they make available. By definition, all of the obligations imposed on LEAs by un-funded mandates like civil rights guarantees exceed the federal funds available. Any use of other federal program funds (e.g., by assigning administrators paid by Title I to conduct affirmative action programs, or to coordinate local response to Title IX) is cross-subsidy.

Administrative cross-subsidies are well-known and have generally been tolerated by federal program administrators. Title I funds in particular have been openly used by SEAs to strengthen their general capacity to manage federal programs and to administer state-funded compensatory education programs. The problem of cross-subsidy may, however, be more serious if funds earmarked for services under one program are used for another. In that case, a group of beneficiaries may be deprived of services, and the viability of the program that is providing the funds may be endangered.

At present, there is reason to think that cross-subsidy can be occurring between ESEA Title I and the Education for All Handicapped Children Act. As was noted above, many Title I-eligible students can also be classified as learning disabled and are thus also eligible for services under P.L. 94-142. Since the Individualized Educational Plan (IEP) required for each handicapped child is supposed to be a comprehensive prescription to meet the child's needs, many local educators favor using Title I funds to pay for some of the required services. However, the regulatory principles on which the two programs are based create a problem. Under P.L. 94-142, the delivery of services prescribed by the IEP is an absolute obligation, which the school district

must meet from its own funds if the grant it receives from BEH is inadequate. (Grants under P.L. 94-142 now cover only about 12 percent of the costs of the required services.) Title I, on the other hand, requires that its funds be used to provide services in addition to the services that the school district normally provides from its own funds.

Federal administrators in charge of Title I have concluded that services prescribed by a handicapped child's IEP are part of the school district's normal educational obligation, and therefore cannot be subsidized with Title I funds. If Title I funds pay for IEP-prescribed services in low-income schools, then the local funds saved can be used to improve services to students in higher-income schools; students in the Title I schools would therefore not receive the full and exclusive benefit of Title I funds. Many local educators and parents of handicapped children, on the other hand, claim that the required services cannot be delivered to all handicapped children unless services to Title I eligible children are funded by Title I. They argue that LEAs' obligations under P.L. 94-142 are not "normal," but are instead special service requirements imposed by federal law, and should therefore be considered proper objects of Title I funding.

It is hard to reject the arguments of either side. The IEP is supposed to be a complete prescription for a student's needs; there should, then, be no need for Title I services if the IEP prescription is implemented. Few districts are now able to meet their financial obligations under P.L. 94-142, but Title I funds can help close the gap. On the other hand, if the use of Title I funds were controlled by the IEP process, Title I could lose its identity as a program, and become a supplementary funding source for P.L. 94-142.

At present, it is not clear how much cross-subsidy there is between Title I and P.L. 94-142, or how long the practice will be allowed to continue. The draft Title I regulations issued in early July 1979 request comment on two alternative provisions: one permitting Title I funds to be used for services mandated by P.L. 94-142, and the other forbidding them to be so used. However the legal issue is decided, the programmatic confusions will remain: if IEP prescriptions are faithfully implemented there is no need for special Title I services; but if Title I funds are used to pay for IEP prescriptions, the federal government will no longer have a program specially targeted on the needs of children in poverty schools.

Cross-subsidy may be affecting many other federal programs. Many LEAs are openly using Vocational Education funds to respond to the requirements of Title IX, thus reducing traditional levels of effort for men's vocational education. Some--but not all--others are using funds from P.L. 94-142 to meet the physical access requirements imposed by an unfunded civil rights law for the handicapped (Section 504 of the Rehabilitation Act of 1973).

The subsidization of one federal program by another may be a perfectly good way of reducing duplication. If, however, the overlap between the two programs is incomplete, the groups served by the program that is the source of the subsidy will lose. The overlap is seldom perfect. In the case of the cross-subsidy between Title I and P.L. 94-142, Title I-eligible students who are not handicapped would be the most obvious losers. The cross-subsidy between P.L. 94-142 and Section 504 may favor the needs of physically handicapped students over students with mental or emotional impairments.

Competing for Local Funds. Many federal programs are deliberately designed to affect the patterns of expenditure of state and local funds. Civil rights laws impose obligations (e.g., for desegregated patterns of student assignment, equal sports facilities for men and women, and access to facilities for handicapped students) without providing extra funds. Programs like Vocational Education and the Education for All Handicapped Students Act offer matching grants that pay only part of the costs of delivering a particular service. Even programs like Title I that theoretically pay all of the costs of administering and delivering services exert some leverage on local spending, through maintenance of effort and comparability requirements.

None of these programs exempts the LEA from providing its regular services. The local expenditures required by federal programs are, in fact, expressly intended to be additions to the school district's normal obligation to educate its students. Federal programs, therefore, implicitly assume that LEAs can allocate funds in the ways required without jeopardizing the normal instructional program.

That assumption is more tenable for some places and for some programs than for others. School districts with robust tax bases and no political constraints on revenue raising obviously have a better chance of finding surplus funds than do poorer districts, or those with constitutional limits on taxation. Further, districts in general are more likely to be able to afford upgrading athletics for girls than to make the instructional programs in their older buildings accessible to all handicapped students.

But all districts, whether rich or poor, must face the fact that money to implement federal requirements must come from somewhere--from the taxpayers, borrowing, reductions in educational services, or reduction in other local service sectors. In any case, the allocation of funds in response to federal requirements is not automatic. The money must be found through a political process, in which taxpayers, parents of children who are not federal program beneficiaries, local groups associated with each federal program, and several different wings of the federal education bureaucracy, all compete with one another. Even when federal requirements are presented as absolute obligations, as is the case with civil rights guarantees, their demands for money are weighed against other demands that are stated with equal urgency by the interested parties. In this way, federal requirements come to compete with local demands, and with one another, for local funds.

The outcome of that competition depends on several factors, including the preferences of the school board and superintendent, local history and tradition, the generosity of the different programs' federal/local matching rate, the strength of local interest groups, and the likelihood and possible severity of federal enforcement action. All federal programs gain weight in their competition with local priorities by threatening fiscal sanctions against noncompliance. Some (e.g., Title I) also strengthen local support by paying local coordinators' salaries and subsidizing the establishment of parents' or citizens' advisory groups. The Education for All Handicapped Students Act also

guarantees that the parents of beneficiaries will participate in decisions about the services their children will receive, and guarantees ready access to the courts to resolve disputes.

These features help federal programs compete, not only with other local priorities, but with each other. Programs with paid local co-ordinators and well-funded advisory groups have an obvious advantage over programs that either do not pay for or do not require similar arrangements. Programs whose guarantees can be swiftly reinforced by court orders are the most likely of all to attract local funds.

In general, federal programs compete with one another by providing resources and political leverage to their local supporters and beneficiaries.* At a time of fiscal stringency, the programs that create the greatest leverage for their supporters are likely to attract virtually all of the available local funds.

The problems caused by competition among federal programs are similar to those discussed above under cross-subsidy. The results of competition may be that only one or two federal programs can operate as intended at the local level. The beneficiaries of other federal programs, beaten in the local political arena, will receive little or nothing. Since most federal programs were established precisely because their beneficiaries were doing poorly in the local political arena, this result of the competition among programs is clearly not what their architects intended.

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*For an elaboration on this point, see Hill, 1979.

Conclusion

At present it is impossible to tell how serious the four problems discussed above are. Most of the available information comes from the complaints of local administrators, who might be expected to exaggerate the importance of the problems that exist. We therefore have reason to think that federal programs interfere with one another in the ways described above, but we do not know how severe that interference is or whether it is serious in all, or only a few, localities.

A careful assessment of the seriousness of the four problems is essential. If the programs are now interfering with one another so severely that none, or only one, of them can operate as intended, we must conclude that a system of multiple federal categorical programs is unworkable. If, on the other hand, the overlaps among programs are just minor annoyances to local administrators, and if the programs interfere with one another only at the margins, there may be no urgent need for a change in federal programming strategy.

QUESTIONS FOR RESEARCH

This section identifies two kinds of questions in need of research. The first set concerns the degree to which federal programs now interfere with one another; the second concerns ways of identifying possible conflicts among programs before, rather than after, they are implemented.

Assessing the Seriousness of the Problem

The question most urgently in need of research is whether the existing federal programs interfere with one another to such an extent

that some, or all, of them are unable to provide the intended level of services to their beneficiaries. To operate effectively, programs require both administrative and financial resources. This discussion will distinguish the questions that should be asked about administrative resources from those about financial resources.

Questions about Administrative Resources. Federal programs make two kinds of demands on local administrative resources: first, some federal programs (e.g., civil rights guarantees) pay none of their own administrative costs; and second, all federal programs make demands on the LEAs' scarcest administration resource, viz. the time and attention of the school superintendent.

The importance of these two kinds of administrative demands should not be difficult to assess. The research need not make a detailed or highly precise estimate of the amount of administrative time or cost entailed. General assessments of only two things are needed: first, whether the administrative costs of un-funded civil rights mandates are being subsidized by funded federal programs; and second, whether the problems of integration of federal programs, dispute resolution and demonstration of compliance are dominating the time of the local superintendent and his central administrative staff.

A first assessment of the administrative burdens imposed by un-funded civil rights mandates could be made through a survey of coordinators for Title I, P.L. 94-142, and Vocational Education, in LEAs whose budgets for those programs are written to pay the coordinators' full

salary. The purpose of the survey would be to determine which of the coordinators had additional responsibilities for such activities as affirmative action, human relations, Title IX, Section 504, and inter-group awareness training of teachers.

My own recent study of Title IX and Section 504 coordinators (Hill and Rettig, 1979) revealed that several supposedly full-time Title I and P.L. 94-142 coordinators in a sample of 12 LEAs were heavily engaged in responding to other mandates. Those coordinators openly admitted that the categorical program funds were subsidizing their districts' response to civil rights and affirmative action requirements. If a large survey of coordinators shows that the above patterns are common, that can be taken as some evidence that the unfunded mandates are relying on the resources provided by funded federal programs.*

Federal programs demand the superintendents' time for activities like supervising program coordinators, settling disputes, negotiating with federal enforcement agencies, and preparing for judicial hearings. Not all superintendents do these things: the weight of these activities is likely to depend on the districts' recent experience with litigation and federal enforcement actions. The rough assessment of the importance of these demands could be assessed through a collection of superintendents' self-reports about the amounts of time they spend on these activities. A

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*Such evidence cannot, however, be taken as evidence that the LEAs are illegally misallocating funds intended for Title I, vocational education, etc. Federal officials have been deliberately overlooking SEAs' and LEAs' novel uses of program administration funds for so long that it has become an unwritten norm. In addition, the LEAs can easily claim that the coordinator was paid purely from local funds and that the categorical program funds paid for the superintendent's supervisory time, or for a meeting of Title I school principals, etc.

sample of superintendents should be stratified to distinguish among districts that have and have not experienced recent federal audit findings, desegregation orders, and litigated settlements of disputes over the placement of handicapped children.

Financial Demands

Without exhaustive audits of LEA expenditure records, it is unlikely that any research project could produce a definitive estimate of the degree to which federal programs draw needed funds away from one another. The question can be addressed by approximation, however, by focusing on the process by which LEA officials decide how to finance a particular response to a federal mandate.

The foregoing discussion about cross-subsidy between Title I and P.L. 94-142 illustrates that potential importance of the problem and provides clues about how it can be addressed. The best way to assess the degree to which federal programs raid one another for funds is to study the process through which LEA officials decide what services to provide children who are both handicapped and Title I-eligible. Case studies of service decisions for a sample of such children could answer questions like:

- Do teachers have guidelines discouraging them from referring Title I-eligible handicapped children to the special education department?
- Does the Title I coordinator take part in the child's placement decision?

- o Do the writers of the IEP consider the range of Title I services that are available for the child?
- o Are services provided by Title I deliberately omitted from the child's IEP so that Title I can continue paying for them?
- o Are Title I services revised in order to fulfill IEP requirements, or do IEP prescriptions differ from one school to another, depending on what Title I services are available?
- o Are funds re-programmed so that some Title I money is controlled by the LEA's special education department?

Understanding How Federal Programs Interfere with One Another

The second major objective for research is to understand how particular features of federal programs contribute to the problems discussed above. It is not enough to demonstrate that federal problems are now causing problems for one another. Answers to the purely descriptive research questions defined above do not help policymakers understand how the problems come about. If the problems prove to be severe, but no good explanations or alternatives are presented, Congress will come under powerful pressure to abandon the categorical program concept. Research on the sources of the problems can help Congress understand whether the problems are endemic to categorical programming, or are caused by particular features of only some programs.

The basic question for research is "what features of the existing federal programs put them into competition with one another?" To initiate discussion about how to conduct the research, I shall identify

three program features that are likely to cause most of the problems, and define some questions for research about them.

The first feature I shall call (for want of a better term) unfundedness. Congress and the executive branch have both imposed a large number of new unfunded programs on school districts since 1970. In addition to the civil rights requirements discussed above (ESEA Title IX and Section 504 of the Rehabilitation Act of 1973), Congress has adopted new prohibitions against age discrimination, and HEW has devised guidelines for school districts to follow in providing services to linguistic minority children (the Lau remedies).* Through such requirements, the federal government promulgates redistributive social policy without affecting the federal budget. The cost of responding to the requirements is borne by state and local agencies. The costs are real, but we do not yet know how severe they are or how much they really squeeze local budgets. At least some of the beneficiary groups might be powerful enough at the state and local level to cause special tax increases or new allocations of state surpluses to fund the federal requirements. In such cases, unfunded requirements would not necessarily interfere with other federal programs.

To understand the importance of unfundedness as a source of mutual interference among federal programs, two questions must be studied. First,

*The Lau remedies were originally written as guidelines which apply only to LEAs that are found in violation of the very general principles of the Lau v. Nichols decision. HEW's Office for Civil Rights has, however, used the remedies as standards for conducting routine compliance reviews, e.g., in the course of pre-grant clearances for districts that have applied for ESAA funds. In this way, the Lau guarantees are fast becoming another un-funded requirement on all school districts.

what is the gross cost of response to the existing unfunded mandates? And second, are those costs now being met by increases in taxation and increases in local spending on education, or are they being met by reductions in local educational services?

The second such feature is matching. As was noted above (p. 6) all of the funded programs impose conditions on the use of local funds. Because matching programs do nothing to increase the total amount of local funding available, they compete among themselves for scarce and fixed local resources. Even Title I, which in theory pays for all of its costs, requires LEAs to maintain effort and establish comparable levels of expenditure across schools. These are matching requirements--less explicit but as genuine as the formal matching requirements of Vocational Education or P.L. 94-142. Matching features are becoming more and more popular in federal programs: the Title I incentive grants program (meant to encourage states to establish their own compensatory education programs) is based on the matching approach. Other matching grants are proposed for bilingual education and state school finance reforms.*

Matching features deserve study in two ways. First, we should have good information about how the matching features of existing programs are now interacting. Are some programs attracting all the local money and others attracting less than their share or being run out of compliance?

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*For an analysis of possible matching programs for state school finance reform, see Hill and Wise (1979).

Second, we should understand what features of a matching program make it more or less likely to attract local funds. In theory, matching programs attract local funds because they lower the price that the locality has to pay to deliver a particular service. In some of the existing programs, however, the matching features are hidden and the matching rate is thus hard to calculate. For example, Title I's real matching rate varies from place to place, depending on how hard it is for the locality to maintain effort and achieve comparability. In most localities, however, the ratio of the total federal grant to required local expenditures is very high, and Title I is thus probably very effective in obtaining state funds. The case of ESAA is very different. HEW's Office for Civil Rights is now using its pre-grant compliance reviews as ways of imposing the Lau guarantees, threatening suspension of the ESAA grant until Lau compliance is shown. ESAA's implicit matching rate--the ratio of the ESAA grant to the local costs of complying with Lau and other civil rights requirements--is very low for many LEAs. Such LEAs may prefer to respond to more "profitable" federal programs, and stop requesting ESAA funds. That would be a legitimate use of the localities' options, but it would frustrate the original objectives of ESAA.

The foregoing examples are meant only to illustrate the fact that matching provisions can be subtle and hard to quantify, but they can have a powerful effect on a program's prospects for success. If federal program designers are to avoid unintended (and potentially ruinous) competition for local funds, they need to understand what the implicit matching features of each program are, and how they are likely to interact with the matching features of other programs.

The third feature of federal programs that causes them to interfere with one another is the creation of local political resources. All of the existing programs, funded and unfunded alike, establish their own sources of local support and create opportunities for local supporters to exert pressure on LEA decisionmakers. These local political resources include paid program coordinators, local parent advisory groups, mandatory parent participation in service delivery decisions, and ready access to quasi-judicial and judicial remedies for grievances.

All of these features were developed to ensure that the individual programs would survive any local efforts to misuse or divert federal funds. In some instances, however, these features may help federal program beneficiaries to compete with one another, both for local funds and for control of federal grants. For example, the dispute over the use of Title I funds for handicapped children can, if reduced to its lowest terms, be seen as a competition between poverty and handicapped interest groups. If, as some expect, future federal programs extend the right to an IEP to additional categories of students (e.g., linguistic minority students) local competition for control over major federal funding sources will become very intense.

Neither Congress nor USOE intended to encourage political competition among federal beneficiary groups at the local level. But those groups are bound to use the political resources that have been created for them, especially when the rights and services guaranteed them exceed the funds available. In such a competition, the groups with the best political organization and most direct access to local

decisionmakers and the courts will get a disproportionate share of the services.

If federal program designers do not intend to replace the system of separate categorical programs with such a system of continuing negotiation at the local level, they must attend to the implications of the local political resources they create. Research on the nature and use of such local political resources is a necessary first step forward reestablishing orderly relationships among federal programs at the local level.

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